

Idaho Legislative Audits
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Idaho Board of Education

Management Report on Internal Control

Issued: June 30, 2005
Fiscal Year: 2002, 2003, and 2004



EXECUTIVE SUMMARY LEGISLATIVE AUDITS

OFFICE OF THE STATE BOARD OF EDUCATION

PURPOSE AND SCOPE. In planning and making our audit of the statewide basic financial statements, we performed certain audit procedures to evaluate the effectiveness of the Office of the State Board of Education's internal control design and operation. Consequently, the limited scope of our procedures does not allow us to give an opinion on the Board's internal control system. Accordingly, we do not express an opinion or ensure that all instances of internal control weaknesses were disclosed.

Our purpose was to indicate where internal controls could be strengthened to help ensure accurate financial statements and data. This evaluation, together with other evaluations and various audit procedures applied at other agencies, allows us to express an opinion on the statewide basic financial statements prepared by the State Controller's Office.

CONCLUSION. We noted no matters involving the internal control over the Board's financial reporting or its operation that we considered to be material weaknesses. However, our consideration of internal controls would not necessarily disclose all matters considered to be a material weakness.

FINDINGS AND RECOMMENDATIONS. There are no findings and recommendations in this report, nor were there any findings and recommendations in the prior report.

AGENCY RESPONSE. The Board has reviewed this report and is in general agreement with its contents.

FINANCIAL SUMMARY. The Board receives funds from State General Fund appropriations, federal grants, an Albertson's Foundation grant, liquor funds, and miscellaneous receipts. The funds are used to pay the Board's administrative costs, and to support community colleges, various scholarship programs, health education programs, and special programs. Total costs for fiscal year 2004 include personal costs of \$1,199,000, operating costs of \$3,993,000, and trustee and benefit costs of \$30,066,000. The trustee and benefit costs include \$19,524,000 in support for community colleges, \$7,507,000 in scholarships and grants to colleges and universities, and \$2,489,000 for health education programs. The remaining trustee and benefit payments total \$546,000 for special programs including the Small Business Development Center, Council for Technology in Learning, Council on Economic Development, Governor's Teachers Innovative Grants, and statewide needs and research study.

Although an opinion is not given on the financial data presented in this report, one is given on all State funds in the statewide *Comprehensive Annual Financial Report* that includes the financial data presented here. The following summarizes the activity of the Board for fiscal years 2002, 2003, and 2004.

OFFICE OF THE STATE BOARD OF EDUCATION – FINANCIAL SUMMARY

FISCAL YEAR 2002

Fund	Fund Title	Beginning	Plus Receipts	Transfers In/	Less	Ending
		Appropriation/ Cash Balance		Transfers Out	Disbursements	Appropriation/ Cash Balance
0001	General Fund	\$31,256,373	\$14,789	\$0	\$30,501,917	\$769,245
0238	Federal Fund	80,218	257,490	0	337,707	1
0349	Miscellaneous Revenue Fund	464,996	419,320	(19,852)	270,715	593,749
0506	Community College Fund	0	0	300,000	300,000	0
	Totals	<u>\$31,801,587</u>	<u>\$691,599</u>	<u>\$280,148</u>	<u>\$31,410,339</u>	<u>\$1,362,995</u>

FISCAL YEAR 2003

Fund	Fund Title	Beginning	Plus Receipts	Transfers In/	Less	Ending
		Appropriation/ Cash Balance		Transfers Out	Disbursements	Appropriation/ Cash Balance
0001	General Fund	\$31,416,150	\$119,434	\$0	\$31,239,699	\$295,885
0348	Federal Fund	1	353,761	0	353,551	211
0349	Miscellaneous Revenue Fund	593,749	616,645	0	542,256	668,138
0506	Community College Fund	0	0	300,000	300,000	0
	Totals	<u>\$32,009,900</u>	<u>\$1,089,840</u>	<u>\$300,000</u>	<u>\$32,435,506</u>	<u>\$964,234</u>

FISCAL YEAR 2004

Fund	Fund Title	Beginning	Plus Receipts	Transfers In/	Less	Ending
		Appropriation/ Cash Balance		Transfers Out	Disbursements	Appropriation/ Cash Balance
0001	General Fund	\$32,273,677	\$19,454	\$0	\$31,438,148	\$854,983
0348	Federal Fund	211	2,406,548	0	2,406,744	15
0349	Miscellaneous Revenue Fund	668,138	511,542	0	1,113,484	66,196
0506	Community College Fund	0	0	300,000	300,000	0
	Totals	<u>\$32,942,026</u>	<u>\$2,937,544</u>	<u>\$300,000</u>	<u>\$35,258,376</u>	<u>\$921,194</u>

OTHER ISSUES. We discussed other, less important issues which, if changed, would improve internal control, ensure compliance, or improve efficiency.

This report is intended solely for the information and use of the Office of the State Board of Education and the Idaho Legislature and is not intended to be, and should not be, used by anyone other than these specified parties.

We appreciate the cooperation and assistance given to us by the executive director, Gary Stivers, and his staff.

QUESTIONS CONCERNING THIS DOCUMENT SHOULD BE DIRECTED TO:

Ray Ineck, CGFM, Supervisor, Legislative Audits

Eugene Sparks, CPA, CGFM, Managing Auditor

Report IC50104

For a copy of the entire audit report , contact Legislative Services Office, Audit Division, State Capitol Building, 700 W. Jefferson Street, P.O. Box 83720, Boise, Idaho 83720-0054, or call 208-334-3540.
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